

Schedule A

CENTRAL ILLINOIS LIGHT COMPANY
REVENUE DEFICIENCY
(\$000)

	(1) Company Position	Adjustments		Proposed Position
Rate Base	\$ 202,869	\$ (13,097)	(2)	\$ 189,772
Rate of Return	<u>8.839%</u>	<u>-0.495%</u>	(3)	<u>8.344%</u>
Operating Income Requirement	17,932	(2,097)		15,835
Adjusted Operating Income	<u>9,530</u>	<u>4,496</u>	(4)	<u>14,026</u>
Income Deficiency	8,402	(6,593)		1,809
Gross Revenue Conversion Factor	<u>1.662</u>	<u>-</u>		<u>1.662</u>
Revenue Deficiency	<u>\$ 13,961</u>	<u>\$ (10,956)</u>		<u>\$ 3,005</u>

Sources:

- (1) CILCO Schedule A-3
- (2) Schedule B
- (3) Schedule D
- (4) Schedule C

Schedule B

CENTRAL ILLINOIS LIGHT COMPANY
RATE BASE
(\$000)

	(1) Company Position	Adjustments		Proposed Position
Gross Utility Plant in Service	\$ 471,025	\$ (15,981)	(2)	\$ 455,044
Reserve for Accumulated Depreciation	<u>263,100</u>	<u>(1,118)</u>	(3)	<u>261,982</u>
Net Utility Plant in Service	207,925	(14,863)		193,062
Construction Work in Progress	6,899			6,899
Working Capital Allowance	24,824			24,824
Accumulated Deferred Income Taxes	(28,038)	1,766	(4)	(26,272)
Customer Advances for Construction	(1,996)			(1,996)
Customer Deposits	(1,504)			(1,504)
Budget Plan Balances	561			561
Pre-1971 ITC's	(22)			(22)
Unfunded Pension Costs	<u>(5,780)</u>	<u>-</u>		<u>(5,780)</u>
Net Rate Base	<u>\$ 202,869</u>	<u>\$ (13,097)</u>		<u>\$ 189,772</u>

Sources:

- (1) CILCO Schedule B-1
- (2) Schedule B-1
- (3) Schedule B-2
- (4) Response to AG Data Request 1.8

Schedule B-1

CENTRAL ILLINOIS LIGHT COMPANY
ADJUSTMENT TO PLANT IN SERVICE
(\$000)

Common Plant Allocated to Gas, Based on Factors in Last Rate Order	(1)	\$ 31,514
Common Plant Allocated to Gas by CILCO	(2)	<u>33,356</u>
Adjustment to Common Plant in Gas Rate Base		(1,842)
 Eliminate Adjustment for Post Test Year Plant Additions	 (3)	 <u>(14,139)</u>
 Total Adjustment to Plant in Service		 <u>\$ (15,981)</u>

Sources:

- (1) Response to Staff Data Request BAP-004
- (2) CILCO Schedule B-2, Page 2
- (3) CILCO Schedule B-2.1

Schedule B-1.1

CENTRAL ILLINOIS LIGHT COMPANY
NET PLANT IN SERVICE
(\$000)

	(1) Dec. 31 <u>1997</u>	(1) Dec. 31 <u>1998</u>	(1) Dec. 31 <u>1999</u>	(1) Dec. 31 <u>2000</u>	(2) Dec. 31 <u>2001</u>	(3) Dec. 31 <u>2002</u>
Gross Plant	400,821	418,269	431,205	448,366	456,886	469,830
Depreciation Reserve	<u>193,049</u>	<u>208,334</u>	<u>226,095</u>	<u>244,612</u>	<u>262,279</u>	<u>282,903</u>
Net Plant in Service	<u>207,772</u>	<u>209,935</u>	<u>205,110</u>	<u>203,754</u>	<u>194,607</u>	<u>186,927</u>

Sources:

- (1) Response to AG Data Request 1.5
- (2) CILCO Schedule B-1
- (3) Response to AG Data Request 1.4

Schedule B-2

CENTRAL ILLINOIS LIGHT COMPANY
ADJUSTMENT TO ACCUMULATED DEPRECIATION
(\$000)

Total Accumulated Depreciation on Common Plant	(1)	\$ 11,969
Allocation to Gas	(2)	<u>42.51%</u>
Accumulated Depreciation on Common Plant Allocated to Gas		5,089
Accum. Deprec. on Common Plant Allocated to Gas by CILCO	(1)	<u>5,386</u>
Adjustment to Accumulated Depreciation		(297)
Eliminate Adjustment for Post Test Year Plant Adjustments	(3)	<u>(821)</u>
Total Adjustment to Accumulated Depreciation		<u>\$ (1,118)</u>

Sources:

- | | | |
|-----|--|---------------|
| (1) | CILCO 2001 FERC Form 1, Page 356 | |
| (2) | Response to Staff Data Request BAP-004 | |
| | Common Plant Allocated to Gas | 31,514 |
| | Total Common Plant | <u>74,125</u> |
| | Ratio | <u>42.51%</u> |
| (3) | CILCO Schedule B-3.1 | |

Schedule C

CENTRAL ILLINOIS LIGHT COMPANY
OPERATING INCOME
(\$000)

	(1) Company <u>Position</u>	<u>Adjustments</u>		Proposed <u>Position</u>
Operating Revenue	\$ 77,960	\$ 327	(2)	\$ 78,287
Operation and Maintenance Expense	41,357	(6,172)	(3)	35,185
Depreciation and Amortization	22,350	(886)	(4)	21,464
Taxes other than Income Taxes	2,161	(59)	(5)	2,102
Current Income Taxes	6,567	2,949	(6)	9,516
Deferred Income Taxes	(3,728)			(3,728)
Investment Tax Credits	<u>(277)</u>	<u>-</u>		<u>(277)</u>
Total Operating Expenses	<u>68,430</u>	<u>(4,169)</u>		<u>64,261</u>
Adjusted Operating Income	<u>\$ 9,530</u>	<u>\$ 4,496</u>		<u>\$ 14,026</u>

Sources:

- (1) CILCO Schedule C-2
- (2) Schedule C-1
- (3) Schedule C-2
- (4) Schedule C-3
- (5) Schedule C-4
- (6) Schedule C-5

Schedule C-1

CENTRAL ILLINOIS LIGHT COMPANY
OPERATING REVENUE
(\$000)

Rate Class:	(1) Company <u>Position</u>	<u>Adjustments</u>	(2) Proposed <u>Position</u>
Residential	\$ 50,866	\$ 223	\$ 51,089
Small General Gas Service	4,326	7,095	11,421
General Gas Service	<u>13,387</u>	<u>(6,991)</u>	<u>6,396</u>
Totals for Rate Classes being Adjusted	<u>\$ 68,579</u>	<u>\$ 327</u>	<u>\$ 68,906</u>

Sources:

- (1) CILCO Schedule E-4.5, Page 2
- (2) Workpaper WPC-1

Schedule C-2

CENTRAL ILLINOIS LIGHT COMPANY
OPERATION AND MAINTENANCE EXPENSE
(\$000)

Adjustments to Operation and Maintenance Expense:

Uncollectible Accounts Expense	(1)	\$ (1,419)
Pensions and Benefits Expense		
Medical Expense	(2)	(148)
Pension Expense (SFAS 87)	(2)	(2,890)
OPEB Accrual (SFAS 106)	(2)	(810)
Incentive Compensation	(3)	(770)
Rate Case Expense	(4)	<u>(135)</u>
Total Adjustment to Operation and Maintenance Expense		<u>\$ (6,172)</u>

Sources:

(1)	1998	1,250	Staff DR CIL-027
	1999	734	Staff DR CIL-027
	2000	1,000	Staff DR CIL-027
	2001	2,762	Staff DR CIL-027
	2002	<u>971</u>	Staff DR DLH-8.01
	Total	6,717	
	Average	1,343	
	2001	<u>2,762</u>	
	Adjustment	<u>(1,419)</u>	

(2)	Schedule C-2.1		
(3)	Response to Staff Data Request CIL-040		
(4)	Total Rate Case Expense	1,018	CILCO Schedule C-11
	Amortization Period	<u>5</u>	See Testimony
	Annual Amortization	204	
	CILCO Amortization	<u>339</u>	CILCO Schedule C-11
	Adjustment	<u>(135)</u>	

Schedule C-2.1

CENTRAL ILLINOIS LIGHT COMPANY
PENSIONS AND BENEFITS EXPENSE
(\$000)

Annualized Medical Costs based on 12 Mos. 2002	(1)	\$ 2,263
Actual Medical Costs - 2001	(1)	<u>2,016</u>
Adjustment to Medical Costs		247
O&M Percentage	(2)	<u>63.77%</u>
Adjustment to Medical Expenses		158
Company Adjustment	(3)	<u>306</u>
Adjustment to Company Position		<u>\$ (148)</u>
Periodic Pension Cost, per 2002 Actuarial Studies	(4)	\$ 1,823
Allocated to Gas	(5)	<u>34%</u>
Total Pension Cost Allocated to Gas		620
Actual Pension Cost - 2001	(5)	<u>(1,419)</u>
Adjustment to Pension Cost		2,039
O&M Percentage	(2)	<u>63.77%</u>
Adjustment to Pension Expense		1,300
Company Adjustment	(5)	<u>4,190</u>
Adjustment to Company Position		<u>\$ (2,890)</u>
OPEB Cost per 2002 Actuarial Study	(4)	\$ 13,188
Allocated to Gas	(6)	<u>37%</u>
Total Pension Cost Allocated to Gas		4,880
Actual OPEB Cost - 2001	(6)	<u>3,388</u>
Adjustment to Pension Cost		1,492
O&M Percentage	(2)	<u>79.31%</u>
Adjustment to Pension Expense		1,183
Company Adjustment	(6)	<u>1,993</u>
Adjustment to Company Position		<u>\$ (810)</u>

Sources:

(1)	Response to AG Data Request 4.5			
(2)	CILCO Schedule C-5, Page 3	<u>Med&Pen</u>	<u>OPEB</u>	<u>Total</u>
	Charged to Expense	926	2,687	3,613
	Total Cost	<u>1,452</u>	<u>3,388</u>	<u>4,840</u>
	O&M Percentage	<u>63.77%</u>	<u>79.31%</u>	<u>74.65%</u>
(3)	CILCO Schedule C-3.11			
(4)	Response to Staff Data Request CIL-004			
	Adjusted to eliminate expiring amortization of SFAS 87 transition assets			
(5)	CILCO Schedule C-3.4			

(6) CILCO Schedule C-3.5

Schedule C-3

CENTRAL ILLINOIS LIGHT COMPANY
DEPRECIATION EXPENSE
(\$000)

Depreciation on Common Plant	(1)	\$ 1,186
Adjustment to Common Plant Allocated to Gas	(2)	<u>-5.52%</u>
Adjustment to Depreciation on Common Plant		(65)
Elimination of Depreciation on Post Test Year Plant Additions	(3)	<u>(821)</u>
Total Adjustment to Depreciation Expense		<u><u>\$ (886)</u></u>

Sources:

(1)	CILCO Schedule B-3.2		
(2)	Adjustment to Common Plant	(1,842)	Schedule B-1
	Common Plant per CILCO	<u>33,356</u>	Schedule B-1
	Percentage Adjustment	<u>-5.52%</u>	
(3)	CILCO Schedule C-3.10		

Schedule C-4

CENTRAL ILLINOIS LIGHT COMPANY
TAXES OTHER THAN INCOME TAXES
(\$000)

Adjustment to Wages and Salaries	(1)	\$ (770)
FICA Tax Rate	(2)	<u>7.65%</u>
Adjustment to Payroll Taxes		<u>\$ (59)</u>

Sources:

- (1) Schedule C-2
- (2) Statutory Rate

Schedule C-5

CENTRAL ILLINOIS LIGHT COMPANY
INCOME TAXES
(\$000)

Adjustments to Taxable Income:

Revenue	(1)	327
Operation and Maintenance Expense	(1)	(6,172)
Depreciation and Amortization	(1)	(886)
Taxes other than Income Taxes	(1)	(59)
Interest	(1)	<u>(368)</u>
Adjustment to Expenses		(7,486)
Adjustment to Taxable Income		7,813
Illinois Income Tax Rate		<u>7.18%</u>
Adjustment to Illinois Income Tax		561
Eliminate Cushion Adjustment	(3)	<u>(13)</u>
Net Adjustment to Illinois Income Tax		<u>548</u>
Adjustment to Federal Taxable Income		7,265
Federal Income Tax Rate		<u>35%</u>
Adjustment to Illinois Income Tax		2,543
Eliminate Cushion Adjustments	(3)	<u>(142)</u>
Net Adjustment to Federal Income Tax		<u>2,401</u>
Total Adjustment to Current Income Taxes		<u>\$ 2,949</u>

Sources:

(1)	Schedule C		
(2)	Rate Base	189,772	Schedule B
	Weighted Debt Cost	<u>2.82%</u>	Schedule D
	Interest Deduction	5,350	
	Company Interest Deduction	<u>5,718</u>	CILCO Schedule C-3.1
	Adjustment	<u>(368)</u>	
(3)	Response to AG 1.10		

Schedule D

CENTRAL ILLINOIS LIGHT COMPANY
RATE OF RETURN
(\$000)

Company Position

	<u>Percent of Total</u>	<u>Cost Rate</u>	<u>Weighted Cost</u>
Long Term Debt	45.32%	6.22%	2.819%
Preferred Stock	5.72%	5.43%	0.311%
Common Equity	<u>48.96%</u>	11.66%	<u>5.709%</u>
Total Capital	<u>100.00%</u>		<u>8.839%</u>

Assumed Position

	<u>Percent of Total</u>	<u>Cost Rate</u>	<u>Weighted Cost</u>
Long Term Debt	45.32%	6.22%	2.819%
Preferred Stock	5.72%	5.43%	0.311%
Common Equity	<u>48.96%</u>	10.65%	<u>5.214%</u>
Total Capital	<u>100.00%</u>		<u>8.344%</u>

Sources: CILCO Schedule D-1
ROE in Assumed Position from ICC Docket Nos.98-0545, 0546

CENTRAL ILLINOIS LIGHT COMPANY
OPERATING REVENUE

	(1)	(1) Billing <u>Determinants</u>	(2) <u>Rate</u>	<u>Revenue</u>
Residential				
Customer Bills		2,280,996	\$ 9.85	22,467,811
Volume		179,912,844		
Head Block	0.63412	114,086,333	\$ 0.1791	20,432,862
Tail Block	0.36588	65,826,511	\$ 0.1244	8,188,818
Total Revenue				<u>51,089,491</u>
Small General Gas Service				
Customer Bills		202,572	\$ 20.00	4,051,440
Volume		48,537,416		
Head Block	0.29602	14,368,287	\$ 0.2149	3,087,745
Tail Block	0.70398	34,169,129	\$ 0.1253	4,281,392
Total Revenue	1.00000			<u>11,420,577</u>
General Gas Service				
Customer Bills		9,048	\$ 100.00	904,800
Volume		46,609,404		
First Block	0.02550	1,188,540	\$ 0.1864	221,544
Second Block	0.77693	36,212,040	\$ 0.1267	4,588,065
Third Block	0.19758	9,208,866	\$ 0.0740	681,456
Total Revenue	1.00000			<u>6,395,865</u>

Sources:

- (1) CILCO Schedules E-4.5, WPE-4.5, before reclassifications
Customer Bills = Customers * 12
Small GS Volume 10847310+37690106
GS Volume 84299510-37690106
- (2) Tariff Sheets, CILCO Schedule E-1

CENTRAL ILLINOIS LIGHT COMPANY
OPERATING REVENUE

Small General Service:

Total Bills	202,580
Bills <= 150 Therms	<u>138,876</u>
Bills > 150 Therms	63,704
Break Point Block 1	<u>150</u>
Therms <= 150	9,555,600
Therms, Bills <=150	<u>4,661,030</u>
Total Therms <= 150	14,216,630
Total Therms	<u>48,025,105</u>
% Therms <= 150	29.602%
% Therms > 150	70.398%

General Service:

Total Bills	9,042
Bills <= 150 Therms	<u>1,851</u>
Bills > 150 Therms	7,191
Break Point Block 1	<u>150</u>
Therms <= 150	1,078,650
Therms, Bills <=150	<u>61,059</u>
Total Therms <= 150	1,139,709
Total Therms	<u>44,696,055</u>
% Therms <= 150	2.550%

Total Bills	9,042
Bills <= 20,000 Therms	<u>8,639</u>
Bills > 20,000 Therms	403
Break Point Block 2	<u>20,000</u>
Therms <= 20,000	8,060,000
Therms, Bills <= 20,000	<u>27,805,219</u>
Total Therms <= 20,000	35,865,219
Total Therms <= 150	<u>1,139,709</u>
Therms, Second Block	34,725,510
Total Therms	<u>44,696,055</u>
% Therms, Second Block	77.693%
% Therms, Third Block	19.758%

Source: CILCO Workpapers WPE-4.3 and WPE-4.4